

The Deputy Director of Central Intelligence

Washington, D.C. 20505

18 February 1983

NOTE FOR: DDA

FROM: EA/DDCI

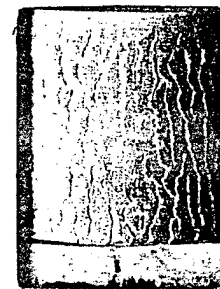
Executive Registry

83-0963

The DDCI was pleased to see the attached. He would like you to pass on a hearty well-done to all of those who have done such a good job in paying our bills in a more timely fashion.



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DDA 83-0451

16 FEB 1983

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence  
Executive Director

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Elimination of Inefficiency, Waste, and Abuse

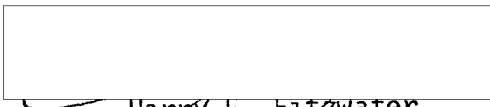
1. The Prompt Payment Act has been helpful in our continuing effort to eliminate inefficiency, waste, and abuse of resources. Since the Act went into effect on 1 October 1982, we have incurred three interest penalty payments, totaling \$935.68. Two of the payments were minor ones, totaling \$7.93, while the third was in the amount of \$927.75. The latter penalty was incurred due to an administrative error when an FY-82 contract number was mistakenly assigned to an FY-83 contract. This resulted in a failure to match the appropriate contract with invoices, causing a 25-day late payment. We have been advised that Hughes Aircraft, to which the \$927.75 is owed, wants to waive the payment of this penalty.

2. During the first quarter after enactment of the Act, the Agency realized "earned discounts" amounting to \$329,680. This represents an increase of \$184,000, or 126 percent over discounts earned during the same quarter of FY-82. Discounts earned represent over 95 percent of those offered.

3. Also, during the first quarter under the Prompt Payment Act, the Agency made no early payments (more than four days prior to the invoice payment due date). Under the terms of the Act, any early payment has to be reported to OMB.

4. In February 1980, we initiated a concentrated effort to reduce the size of our delinquent advance accounts. At the time the program was initiated, our total advances were 3,943 in the amount of \$8,042,698. Of these advances, 870 were delinquent (22 percent of the total), amounting to \$1,335,752. In December 1982, our advances totaled 5,531, amounting to \$9,774,986. As a result of our efforts, only 231 advances were delinquent (representing 4 percent of the total advances and amounting to \$441,463).

4. We will continue to report periodically on these and other efforts to reduce inefficiency, waste, and abuse.

  
Harry E. Fitzwater

cc: D/OF  
D/OL

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